

Message Text

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ACTION EUR-12

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ALSO FOR USEC AND USOECD

E.O. 11652: N/A
TAGS: EAIR,NL
SUBJ: DUTCH AVIATION POLICY

REF: A) LONDON 04469, B) BONN 03242; C) STATE 042223
D) BRUSSELS 2624

1. ACCORDING TO MINISTRY OF ECONOMIC AFFAIRS (MEA)
DIRECTORATE OF METAL AND BUILDING INDUSTRY OFFICIALS(BOERSMA AND
VAN DEN BERGEN), WHO MET WITH EMBASSY OFFICERS ON MARCH 31
TO DISCUSS GON AVIATION POLICY, THE MINISTRY IS NOW CONSIDERING
ITS POLICY ON FUTURE PRODUCTION OF THE NEXT GENERATION
OF MEDIUM RANGE CIVILIAN AIRCRAFT. A DECISION IS EXPECTED BY
JUNE EITHER TO FAVOR FOKKER COOPERATION WITH BOEING OR TO SUPPORT
THE U.K., FRENCH, GERMAN AND DUTCH PROPOSED B-10, A VARIANT OF
THE EUROPEAN AIRBUS AND THE JET. EVEN THOUGH THE GON WOULD LIKE
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TO SEE THE EUROPEAN VARIANTS PROCEED AND HAVE DUTCH AIRLINES
USE DUTCH PRODUCED AIRCRAFT, THE BASIC DUTCH DECISION FACTOR,
ACCORDING TO VAN DEN BERGEN, WILL BE COST AND NOT POLITICAL
CONSIDERATIONS SUCH AS QUOTE EUROPEAN COOPERATION UNQUOTE
WHICH HE SEEMED TO FEEL IS A STRONGER MOTIVATION FOR THE FRENCH
AND GERMANS. THE VIEWS OF THE MAJOR EUROPEAN AIRLINES ON THE
COMPETING AIRCRAFT ALSO WOULD BE SIGNIFICANT. ACCORDING TO

VAN DEN BERGEN, THE DUTCH GOVERNMENT HAS LITTLE INFLUENCE ON KLM DECISIONS TO PURCHASE AIRCRAFT, EVEN THOUGH THE AIRLINE IS 78 PERCENT GOVERNMENT-OWNED. WHILE THE MINISTRY IS AWARE THAT CONVERSATIONS BETWEEN FOKKER AND BOEING HAVE TAKEN PLACE, VAN DEN BERGEN SAID THAT THE MINISTRY WAS NOT FULLY APPRISED OF THE DETAILS. FOKKER, HE SAID, IS A PRIVATE FIRM AND ALTHOUGH ITS R AND D EXPENSES AND PARTICIPATION IN THE EUROPEAN AIRBUS PROGRAM ARE SUPPORTED BY GOVERNMENT LOANS AND GUARANTEES, THE COMPANY DOES NOT RECEIVE GOVERNMENT OPERATING SUBSIDIES.

2. THE MEA OFFICIALS ALSO WERE VERY INTERESTED IN THE PROGRESS OF BOEING'S NEGOTIATIONS WITH THE U.K. AIRCRAFT INDUSTRY AND INQUIRED IF INFORMATION COULD BE PROVIDED BEYOND THAT AVAILABLE IN THE PRESS.

3. ACCORDING TO VAN DEN BERGEN, THE PRINCIPAL RESULT OF THE VISIT ON MARCH 8 OF MEA MINISTER VAN AARDEEN TO THE FRG WAS TO WORK OUT AN AGREEMENT FOR ALLOCATING THE FINANCIAL LOSSES STEMMING FROM THE DECISION TO END PRODUCTION OF THE VFW 614. NO DECISIONS WERE TAKEN CONCERNING FUTURE BILATERAL OR EUROPEAN MULTILATERAL COOPERATION IN CONSTRUCTION OF CIVIL AIRCRAFT, ALTHOUGH THESE MATTERS WERE DISCUSSED.

4. COMMENT: BY CONTRAST WITH THE APPARENT NON-COMMITTAL POLICY OF THE GON, THE EXECUTIVE CHAIRMAN OF FOKKER ON JANUARY 9 MADE A STRONG PUBLIC PLEA FOR EUROPEAN COOPERATION AND WARNED LIMITED OFFICIAL USE

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THAT THE EUROPEAN AIRCRAFT INDUSTRY WOULD LOSE ITS SEVEN PERCENT OF THE WORLD MARKET TO THE US UNLESS IT DEVELOPED A MORE AGGRESSIVE "BUY IN EUROPE" ATTITUDE. ALSO, FOKKER, IN THE SUMMER OF 1976, REQUESTED SUBSIDIES FROM THE GON FOR R AND D EXPENSES ON NEW PROJECTS INCLUDING THE B-10, BUT SO FAR NO POSITION HAS BEEN TAKEN BY THE GOVERNMENT.

5. ACTION REQUESTED: WE WOULD APPRECIATE INFORMATION CONCERNING THE BOEING-UK NEGOTIATIONS FROM THE DEPARTMENT OR EMBASSY LONDON THAT WE COULD MAKE AVAILABLE TO THE MEA. DUTCH OFFICIALS APPEAR OPEN-MINDED ON THE QUESTION OF FUTURE PRODUCTION OF CIVIL AIRCRAFT AND TIMELY PROVISION OF APPROPRIATE INFORMATION COULD ENHANCE THE PROSPECTS FOR DUTCH CONSIDERATION OF COOPERATION WITH U.S. AIRCRAFT MANUFACTURERS.
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